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Consumer ethnocentrism, market mavenism and social network analysis

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ABSTRACT

This study investigates the tendency of consumer ethnocentrism, the role of market mavenism and interactions between these two constructs within a social structure. A total of 215 responses were collected online using the snowballing technique. This study finds that younger consumers are less ethnocentric but demonstrate more mavenism than their counterparts. The social network analysis shows that within the 2-clique, the market mavens outnumbered the non-mavens. This paper provides a holistic view by incorporating the relationship among three concepts with six-degrees-of-separation theory, adding new insights into the constructs which was not previously addressed within the literature.

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Introduction

The increasing globalisation of markets, occurrence of bilateral free trade agreements and establishment of free trade zones make the ethnocentric tendencies of consumers an important and critical consideration for multinational firms operating external to their domestic market (Lee and Mazodier, 2015; Tong and Li, 2013). With such high intensity of global competition, marketers boost spending on promotional campaigns (Sebastian, 2015). However, the lack of consumers' trust (Verlegh and Moldovan, 2008) and high cost in advertising have influenced companies to rely on word-of-mouth, buzz marketing and such other communication tools (Huang et al., 2011). Hence, general consumers rely on the Market Mavens (MM) who possess marketplace information and have a keen interest in disseminating this to others (Barnes and Pressey, 2012). Moreover, the MM's potential reach and influence amongst a large number of consumers makes the MM a valuable marketing instrument worthy of consideration. Prior studies on consumer ethnocentrism (e.g. Adorno et al., 1950; Shimp and Sharma, 1987), market mavenism (e.g. Wiedmann et al., 2001; Feick and Price, 1987) and social network analysis (e.g. Milgram, 1967; Amblard, 2003) look into the issues in isolation and do not encompass the relationship from marketing perspectives.

This research explores consumer ethnocentrism and market mavenism across a global, interconnected sample. The aims are twofold:

- to investigate consumer ethnocentric tendencies across an international sample;
- to investigate the placement of market mavens within a social structure.

This paper is organised into several sections beginning with a discussion on the existing literature regarding antecedents, outcomes and measurement of consumer ethnocentrism and market mavenism. This is followed by a review on the tools and techniques for social network analysis. The detail methodology, findings and implications of this study are presented on the following sections.

Relevant literature

Consumer ethnocentrism

Consumer ethnocentrism is a representation of beliefs held by American consumers about the appropriateness, indeed morality of purchasing foreign made products (Shimp and Sharma, 1987). Consumer ethnocentrism derives from people's love for their own country and fear of harming the economic interests of one's own country by purchasing foreign products (Netemeyer et al., 1991; Kaynak and Kara, 2002).

The CETSCALE

Shimp and Sharma (1987) pioneered the development of the Consumer Ethnocentrism Tendencies Scale to measure the extent of and reasons for the preference for domestic products or aversion to foreign products by American consumers. The CETSCALE

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has also been successfully validated outside the United States in a number of countries (e.g. Acharya and Elliott, 2003; Watson and Wright, 2000). Extant literature largely investigates socio-psychological, demographic, political and economic antecedents of consumer ethnocentrism.

Socio-psychological factors

Consumer ethnocentrism is often driven by morality, patriotism, cultural values, and such other socio-psychological factors (Jain and Jain, 2013). Highly ethnocentric consumers holding strong moral values believe that purchasing foreign products would damage the domestic economy and cause loss of jobs (e.g. Sharma et al., 1995; Huddleston et al., 2001). Yo et al. (2014) find that advertisements with patriotic appeals increase purchase intention for domestic products among consumers in the US and Korea. Various tensions among nations create consumer animosity which is positively related to consumer ethnocentrism (Jain and Jain, 2013). Although gender does not indicate the degrees of ethnocentrism, Fernández-Ferrín et al. (2015) find greater degrees of animosity among male than female consumers. Li and He (2013) observe that consumer ethnocentrism and domestic brand attitude are positively correlated. The social structure of a country, such as collectivism and xenophobia positively influences consumer ethnocentrism (Vadhanavisala, 2015).

Demographic factors

Shankarmahesh (2006) lists four studies which have found that older consumers from the lower social/working class are more ethnocentric than younger consumers and two studies have found that younger consumers are more ethnocentric than older consumers. Josiassen et al. (2011) also confirm that female and older consumers hold higher ethnocentrism tendency than their counterparts. Several other studies suggest that less educated consumers tend to have higher score on ethnocentrism. Although in some cases, young consumers are innovative and seek more hedonic value (Noh et al., 2014), in both developed and developing countries they hold similar degrees of ethnocentrism.

Word of mouth communications and market mavenism

The word of mouth

The flow of word of mouth (WOM) information among consumers has long been recognised as a form of individual behaviour that contributes to the aggregate operation of markets (e.g. Podnar and Javernik, 2012; Loureiro and Ribeiro, 2014; Sweeney et al., 2012). Katz and Lazarsfeld (1955) measured the influence of WOM on consumers and found that within the product categories of home appliances and food, WOM was seven times as effective as newspapers and magazines, four times as effective as personal selling and twice as effective as radio advertising in influencing customers to switch brands. Brown and Reingen (1987) explore WOM communication at a micro level utilising social network analysis and find that weak relationships acted as 'bridges' of WOM referral flow between social groups.

The small world phenomenon

According to literature, Milgram's (1967) "small-world experiment" is considered one of the most significant studies to investigate the dynamics of 'information flow' through populations. This experiment is also a measure of 'network density' and will be formally defined later in Social Network Analysis. The popular phrase 'six degrees of separation' refers to 'network density' and implies that between any two people in a human population there is an average of six relationships. Dodds et al. (2003) replicated Milgram's (1967) experiment through the use 60,000 worldwide email users and found that social searchers can reach their targets in a median of "five to seven" steps.

The market maven

Feick and Price (1987) define MM as the "individuals who have information about many kinds of products, place to shop, and other facets of markets, and initiate discussion with consumers and respond to requests from consumers for market information" (p. 85). Later studies have considered the demographic profiles (Sudbury-Riley, 2016), personality characteristics (e.g. Clark et al., 2008), buying behaviour (Gauri et al., 2016) and motivations for mavenism (Steenkamp and Gielens, 2003). Consumers become MM to become an expert about marketplace, to seek social exchanges in terms of market information, to display extrovert personality, and to help other people in the society (Slama and Williams, 1990). Consumers with higher degrees of MM propensity behave similarly across channels (Barnes and Pressey, 2012). Walsh and El-sner (2012) find that MMs create more valuable and meaningful referrals than non-MMs do in terms of revenue generations for the firms.

Market maven scale

Feick and Price (1987) proposed a MM scale which has been validated in the United States as well as in other country contexts. Slama and Williams (1990) find that women score higher than men in playing the role of MM. However, majority of later studies have also found no evidence that mavenism is linked to age (e.g. Goldsmith et al., 2006). Given the importance of WOM communication to marketers, combined with the potential connectivity of consumer markets ('six degrees of separation') and the diffusion hubs of information known as MMs, no research has been conducted regarding the actual diffusion of marketplace information with regard to MMs and social networks. As noted by Feick and Price (1987) regarding future research into MMs, social network analysis is an appropriate tool to explore the relationships between MMs and less informed consumers.

Social network analysis

Wasserman and Faust (1994) described the power of social network analysis in the ability to explore the relationships among social entities, the patterns and implications of such relationships, and the ability for answering standard questions by giving precise formal definition to aspects of political, economic or social structures.

Social network analysis is based on the assumption of the importance of relationships among interacting units. In addition to relational concepts the following points are critical:

- i. Actors and their actions are viewed as *interdependent* rather than independent.
- ii. Relational ties between actors are channels for transfer of 'flow' of resources.
- iii. Network models focusing on individuals view the network structural environment as providing opportunities for or constraints on an individual action.
- iv. Network models conceptualise structure as lasting patterns of relations among actors.

Social network analysis is concerned with the graphing of relationships among social entities. Formally, such entities are referred to as *actors*. Actors are discrete units, and examples include people within a group, departments within a corporation, countries within a trading group or governmental departments. Actors are linked to one another by *ties*.

The defining feature of a "tie" is that it establishes a relationship between a pair of actors. The most basic pairwise relational structure is the *dyad*. A dyad consists of a pair of actors and the tie between them. A *triad* is a relationship among three actors and

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